

# **I. Scope of Services**

## **A. Project Overview**

The City of Sunnyvale Redevelopment Agency (hereafter "the Agency") is considering an Amendment to the Redevelopment Plan to accomplish the following:

- Increase the limit on the amount of tax increment revenue to be allocated to the Agency.
- Modify the limit on the amount of outstanding bonded indebtedness.
- Enhance and augment the Redevelopment Program projects and activities that may be undertaken by the Agency to reflect current and anticipated redevelopment needs as appropriate.

Based on technical analyses performed by Seifel Consulting during 2000 through 2002, Agency staff has decided that no new territory would be added to the Project Area, nor would any of the other time or fiscal limits be modified.

## **B. Background to Scope of Services**

We understand that the Agency seeks the assistance of experienced redevelopment consultants to assist the staff with the plan amendment process, including preparation of required technical documents. Seifel Consulting Inc. (SCI) and John B. Dykstra (JBD&A) will prepare the necessary documentation for the Redevelopment Plan Amendment and advise the Agency during the amendment process. In summary, we will:

- Prepare a Preliminary Report in accordance with the required statutory steps for a plan amendment which are very similar to a new plan adoption process.
- Document remaining blight in the Existing Project Area.
- Describe and evaluate proposed redevelopment project activities.
- Evaluate the financial feasibility of the Redevelopment Plan Amendment, including updating the tax increment projections.
- Prepare a Report to City Council on the Plan Amendment in accordance with the statutory requirements for a plan amendment.
- Attend meetings as necessary to coordinate tasks in the scope of work.

This scope of services is designed to facilitate the redevelopment plan amendment process in accordance with the provisions of the California Community Redevelopment Law (CRL). If any of the mandatory steps in the plan formulation, review, and/or amendment process were to be overlooked, or not completed in compliance with the applicable state law, the legality of the plan could be jeopardized making it susceptible to legal challenge.

Since such an oversight could delay implementation, it is essential that we coordinate each step of the plan amendment process with the Agency's redevelopment attorney. We understand the Agency retains Goldfarb & Lipman (G&L) as outside legal counsel. We recommend that G&L prepare the detailed schedule of actions, all required resolutions, ordinances and all legal documents required in the plan amendment process, including the Draft Amended Redevelopment Plan. (SCI will produce a summary schedule of actions for the plan amendment.) We will work closely with G&L and assure coordination of

our efforts. In recognition of these considerations, the following scope of services describes the work to be performed and documents to be provided to the Agency. We understand that a separate firm, Wagstaff & Associates, will be preparing the environmental documentation for the Amendment. We also understand that the Agency will be coordinating community relations and does not seek our team's assistance on this effort. This scope of services may be further refined with Agency staff to better suit the Agency's needs.

## **Overview of Responsibilities**

The Scope of Services presented below contains the proposed work program for the redevelopment actions the Agency is considering. It includes the amendment components described above.

Seifel Consulting Inc. (Consultant) will be the prime contractor and will manage the Agency's plan amendment process, coordinating the planning and legal activities required in the process. SCI will prepare the Preliminary Report and the Report on the Plan Amendment. In addition to meeting with Agency staff, SCI will participate in meetings with the Agency and other policy bodies. SCI also will assist Agency staff with Planning Board, Agency and City Council meetings. Our team's responsibilities will include the analysis of existing conditions and the preparation of CRL-required documents. Our redevelopment services team for the Plan Amendment will include the following members:

- Seifel Consulting Inc. to provide project management and Redevelopment Plan Amendment services.
- John B. Dykstra & Associates to help prepare the Existing Conditions Survey and provide general redevelopment advisory services.
- Sixth Street Studio to provide assistance with graphics.

## **Task 1. Project Coordination and Management**

### **a. Field Survey and Refinement of Approach**

The Consultant team has completed a series of technical analyses regarding various approaches to the Amendment. In addition, the Consultant team met with the City Manager, Agency staff and legal counsel to develop a recommended approach to the amendment, as described under Part A, Project Overview. However, as time has passed since the initial field survey work was conducted, a field survey will be performed at the initiation of the contract accompanied by a meeting with staff to refine the work program. To accomplish this amendment expeditiously, we will meet with the Agency and others identified by staff to review the proposed work tasks and agree upon a process towards an efficient and cost effective work plan. This field survey and work approach refinement will include:

- Touring the existing Project Area
- Updating the master list of relevant materials on the existing Project Area, such as maps, aerial photos, plans, graphics, prior cost estimates on proposed improvements, etc.
- Reviewing the proposed scope and timeline for completion of each task and establishing a schedule for the assembly of information and the preparation of draft documents.
- Establishing roles and responsibilities of consultants and staff.
- Determining how each work task can best be accomplished and allocating roles and responsibilities among staff and consultant team members to assure the timely and efficient completion of each step.
- Designating point person(s) from the Agency responsible for assembling materials, scheduling meetings, and gathering comments on written drafts.

- Reviewing existing data and reports. (Our approach will maximize the use of existing data and previous analyses performed for the Agency.)
- Scheduling the proposed preparation of documents and public participation process.

## **b. Project Management and Staff Support**

This scope of services is based on our understanding of the redevelopment consultant's role. This proposal assumes that the Agency handles the administrative plan amendment processes such as meeting notices, staff reports, and preparation for public hearings and meetings. It also assumes that the Agency's legal counsel will prepare the Redevelopment Plan Amendment, all required legal documents, and the legal notices and resolutions as required by the Agency.

The Consultant will make use of existing materials as much as possible. City staff will gather and provide copies of existing documents and other resources to Seifel Consulting. We will review documents provided by the City (plans, environmental review documentation, financial projections, studies, etc.) for relevance to the documentation of blight. We will also meet with Agency staff and others knowledgeable about existing conditions in the area. While some of the information will be used in the analysis for later tasks, it is important that the City provide the information as soon as possible to enable strategic use of consultant time and to facilitate timely adoption of the redevelopment plan amendment.

The Consultant recognizes that City staff time is very valuable. As a result every effort has been made to avoid any significant reliance on staff for work associated with the plan amendment. If the Agency chooses, Seifel Consulting Inc. will provide the Agency with project management and staff support services as needed, up to a proposed budget, which may include, but are not limited to, the following services:

- Assist staff with preparation and/or provide review of up to four (4) staff reports or other reports.
- Coordinate/review other Plan Amendment related documents as prepared by Agency staff and/or the redevelopment counsel.
- Provide other advice and assistance regarding the Plan Amendment and redevelopment activities as necessary.
- Assist staff with collection of documents and data relevant to the Amendment.

These staff support services will be billed up to the proposed budget on a time and materials basis. Additional services required above the proposed budget would be billed as additional services, on a time and material basis.

## **c. Base Map Preparation**

The Consultant team will use the base map provided by the Agency in electronic, GIS readable form, to prepare diagrams and exhibits used in documents leading to the adoption of the Redevelopment Plan Amendment.

# **Task 2. Legal Documents**

Outside legal counsel (G&L) will be responsible for preparing all of the legally required notices and documents. However, the Consultant will provide input regarding their content based on data and analysis obtained during the Redevelopment Plan Amendment process. The following documents will be prepared by Agency staff and/or Agency Counsel.

Redevelopment Plan Amendment: G&L will provide the Draft Amended Redevelopment Plan in electronic form to the Consultant. The Consultant will provide input regarding redevelopment goals and objectives, proposed redevelopment program and various time and fiscal limits. Agency staff will ensure that the language is sensitive to community concerns regarding the Project. (As no territory is proposed to be added, the Preliminary Plan does not need to be amended.)

Owner Participation and Preference Rules, Relocation Policy and Other Legal Documents: The Agency Counsel and Agency staff will prepare all other legal documents, as needed. Consultant review of these documents is not needed.

## **Task 3. Blight Analysis**

### **a. Existing Conditions Analysis Approach**

According to the CRL, the Preliminary Report for a plan amendment must provide evidence that some of the blighting conditions identified at the time of plan adoption still need to be alleviated, and the Agency cannot alleviate these blighting conditions without an amendment to the existing plan. When a new plan is adopted or new territory is added to an existing plan, the Preliminary Report must demonstrate that at least one physical and economic blighting condition, as currently defined in the CRL, is pervasive in the added area. As no additional territory is proposed, the blight standards will be those in effect as of the date of adoption. However, where possible, the consultant will cross-reference the original blight standards to the new standards in the CRL.

### **Areas of Remaining Blight**

Seifel Consulting and Dykstra & Associates will conduct a field survey to observe existing conditions in the Project Area and will discuss with staff areas with remaining blight. We will map areas of remaining blight, as well as areas that are no longer blighted. Seifel Consulting and Dykstra & Associates will then document remaining blight in the Project Area, as described below. Areas that are no longer blighted, as delineated in the map described above, will be specifically excluded from the blight analysis and documentation. This proposal assumes that the areas of remaining blight that were identified by the consultants with staff in our internal briefings during 2001 remain the same.

### **Review of Existing Materials and Field Survey of Existing Conditions**

The Consultant team will identify the areas of remaining blight in the Project Area by:

- Collecting and reviewing information needed to justify physical and economic blight, as available from local governmental and private sector sources.
- Reviewing critical economic indicators of commercial activity.
- Performing field survey(s) of the physical and economic conditions of the Project Area.
- Meeting with staff to review our findings and discuss local conditions, trends, concerns, improvement needs, and long-term planning objectives in the community.

The Consultant Team will discuss its blight approach with staff and Agency Counsel, including a description of the approach to documenting the existence of remaining blight. The results of this analysis will provide an indication of whether existing blighting conditions would be able to be overcome by private enterprise acting alone.

## **b. Building Conditions Survey**

John Dykstra will conduct a comprehensive Building Conditions Survey of the area with remaining blight as one means of documenting physical blight. The rating will be made visually from adjoining streets and roads. The Building Conditions Survey will define subareas, based upon blocks or arbitrary blocks, and summarize the ratings on a subarea and total project basis. The Survey will note other observed physical, particularly unsafe and unhealthy characteristics, and observed economic blighting conditions in summaries of the subareas. John Dykstra will provide photographic documentation of physical and economic blight as appropriate throughout the Project Area, and a map of the general locations of the photographs.

## **c. Documentation of Other Blight Factors**

Based on the recommended approach, the team will document as many other factors of remaining blight as can be substantiated, based on the original blight standards at the time of Plan adoption. This will include an analysis of adverse physical and economic conditions that prevent proper utilization of the Project Area. Agency staff will obtain substantiating documentation from property owners who need redevelopment to accomplish their projects.

# **Task 4. Preliminary Report**

Under the CRL, the Preliminary Report must demonstrate that the proposed project activities are directly related to the alleviation of blight. The Consultant will work with the Agency to review the existing Redevelopment Program, City capital improvement programs and relevant plans, studies, and reports and prepare a list of potential actions and projects that might be included in an Amended Redevelopment Program for review by the Agency. The team will perform preliminary financial feasibility analysis projecting tax increment revenues and redevelopment project costs. Our team will work with Agency staff to:

- Describe the type of project activities to be accomplished, and prepare a description of how each will alleviate blight.
- Analyze the use of tax increment revenues as the principal source of funding, and reasons why financing is necessary.
- Consider possible availability and use of other funding sources.
- Prepare an illustrative budget for proposed project activities based on the financial feasibility analysis.

## **a. Presentation of Blight Findings**

We will document and present the remaining blight findings in text and maps, as appropriate, in a format suitable for incorporation into the plan amendment documents. The description of physical blight will incorporate the Building Conditions Survey described above. We will describe redevelopment activities to date, and those areas no longer blighted.

While it is the Agency's responsibility to produce the Base Map, the Consultant Team will prepare the following maps using a suitable base map (or maps) supplied by the City<sup>1</sup>

- A Redevelopment Project Boundary Map for inclusion in the Report
- Not more than six maps illustrating physical and/or economic blighting conditions

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<sup>1</sup> Sixth Street Studio will be responsible for production of all maps.

- Map indicating areas no longer blighted
- A Photographic Documentation Location Map

Substantial revisions to maps, or maps in excess of those described above, will be invoiced as additional services on a time and materials basis.

#### **b. Financial Analysis**

Seifel Consulting will analyze financial feasibility by comparing projected tax increment revenues and redevelopment project costs. We will build on previous financial analysis performed for the Agency. We will:

- Summarize tax increment caps and debt caps for the Redevelopment Project and the potential extensions of certain time limits.
- Update computer models that project potential net tax increment revenues available for project activities, including the 20 percent set-aside for affordable housing and the amount of funds to be reallocated to all affected taxing entities (pass-through payments). We will work with the Agency to determine assumptions for development buildout and other considerations.
- Work closely with staff to refine assumptions, including development projections, and increases in assessed value due to reassessment and inflation.
- Analyze the use of tax increment revenues as the principal source of funding, compared to other potential financial sources and/or mechanisms available to the Agency to carry out the financing portion of the Amended Project.
- Evaluate the proposed method of financing redevelopment and its financial feasibility. Determine the activities that can be funded given the projected tax increment revenue and other funding sources.

#### **c. Project Activities and Costs**

The Preliminary Report will demonstrate that the proposed project activities are directly related to the alleviation of blight as required by the CRL. We will review the existing Redevelopment Program. We will work with the City's Department of Public Works and review capital improvement programs and all relevant plans, studies, and reports. We will then prepare a list of potential actions and projects to include in the proposed Amended Redevelopment Program with guidance from the Agency. To the extent feasible, the list shall include cost estimates prepared by the City, expressed in constant FY 2003/04 dollars. In summary, we will work with Agency staff to:

- Determine project activities to be accomplished, and prepare a description of how each will alleviate blight.
- Estimate costs for each project activity, including affordable housing activities.
- Prepare a project cost table for use in the financial feasibility analysis.

#### **d. Report Preparation**

Seifel Consulting will prepare the Preliminary Report, as required by CRL, in conjunction with the Agency. The Agency's legal counsel (G&L) will review the report for adequacy. Seifel Consulting will use existing analyses to the extent possible as the background and framework for the Preliminary Report. The Preliminary Report will be organized as follows:

### **I. INTRODUCTION**

Provides background information, legal requirements and summarizes the reasons for amending the Redevelopment Plan. Provides an overview of the amendment as discussed in the Project Overview section, above, of this scope of services.

## **II. EXISTING CONDITIONS**

Documents remaining blight in the Project Area, based on blight definitions in effect at the time of the original Plan adoption and those contained in CRL Section 33031.

## **III. REDEVELOPMENT PROGRAM DESCRIPTION**

Describes Redevelopment Project activities to alleviate blighting conditions in the Project Area and project costs.

## **IV. PROPOSED METHODS OF FINANCING AND FEASIBILITY**

Analyzes potential financial resources and/or mechanisms available to the Agency, provides tax increment projections and evaluates tax increment as the principal project funding mechanism, assesses feasibility of the Redevelopment Project, and explains why blight cannot be eliminated without assistance from the Redevelopment Plan Amendment.

## **Task 5. Report on the Plan Amendment**

Seifel Consulting will prepare the Report to the City Council on the Plan Amendment (Report to Council) in accordance with Section 33352 of Community Redevelopment Law (CRL). The Report will incorporate the first four chapters of the Preliminary Report plus additional chapters to provide analysis of the Agency's initial plans for implementation of the Project, and required procedural steps for the adoption of the Amended Redevelopment Plan taken by the Agency.

### **a. Update Preliminary Report Analysis**

It is assumed that the schedule will progress in a timely manner. Thus, Seifel Consulting will update findings and analysis contained in the Preliminary Report only if new or additional information is provided by the Agency, G&L or the taxing entities. Such updates would be made to contribute to a legally defensible, comprehensive, and accurate Report on the Plan Amendment. Should substantial additional work be needed to update the Preliminary Report analysis, this work would be billed as additional services.

### **b. Implementation Plan**

Building on the existing Implementation Plan adopted in January 2000, Agency staff will prepare a new Five Year Implementation Plan for FY 2004/05 through FY 2008/09, and Seifel Consulting will incorporate the Implementation Plan as an Appendix to the Report to Council. The Implementation Plan must demonstrate how the Agency's proposed goals, objectives, programs, activities and expenditures will help to eliminate blight in the Project Area in each five year increment of the Redevelopment Plan. The Implementation Plan consists of non-housing and housing components. Seifel Consulting will provide five year projections of tax increment and housing set-aside funds to the Agency.

### **c. Additional CRL Documentation Requirements**

We will incorporate Agency staff summaries of community meeting minutes, as maintained by the Agency under Section 33387, into the report, as well as any other additional information obtained by the Agency. We will coordinate with the Agency to secure any required additional CRL documentation.

**d. Report Organization**

Seifel Consulting will prepare the Report on the Plan Amendment in accordance with CRL Section 33352, organized as follows:

**I. INTRODUCTION**

Adapted from Preliminary Report as updated.

**II. EXISTING CONDITIONS**

Adapted from Preliminary Report as updated.

**III. REDEVELOPMENT PROGRAM DESCRIPTION**

Adapted from Preliminary Report as updated.

**IV. PROPOSED METHODS OF FINANCING AND FEASIBILITY**

Adapted from Preliminary Report as updated.

**V. IMPLEMENTATION PLAN**

An Implementation Plan as described above (to be provided by Agency).

**VI. RELOCATION PLAN**

Method of relocation, if necessary, based on existing City policy.

**VII. ANALYSIS OF PRELIMINARY PLAN**

Analysis of the Preliminary Plan and compliance with CRL (no changes to existing Preliminary Plan).

**VIII. PLANNING COMMISSION ACTIONS**

Report and recommendations from Planning Commission.

**IX. SUMMARY OF PUBLIC REVIEW OF THE PROPOSED PLAN**

Description of the public participation process performed during the Redevelopment Plan Amendment process, in particular, the meetings and participation of the community.

**X. ENVIRONMENTAL REVIEW**

Summary of the environmental review process performed for the Redevelopment Plan Amendment and consistency with the California Redevelopment Law.

**XI. REPORT OF COUNTY FISCAL OFFICER**

Not required.

**XII. SUMMARY OF CONSULTATIONS WITH TAXING ENTITIES**

Summary of the Agency's consultations with affected taxing entities regarding fiscal impact.

**XIII. NEIGHBORHOOD IMPACT REPORT**

Neighborhood impact report, based on the Final Environmental Impact Report on the Downtown Design Plan, specifically the proposed Redevelopment Project's impacts on low and moderate income housing and households.



## **Task 6. Meeting Attendance**

- **Staff Meetings.** We will participate in regularly scheduled team coordination meetings and conference calls to be scheduled throughout the duration of the project with Agency staff. The purpose of these meetings will be to evaluate progress of the project work, obtain additional information such as reports from Agency staff and review work performed to date. Up to four (4) meetings will be held in person as needed, and conference calls will be scheduled when appropriate. Additional staff meetings will be billed as additional services.
- **Public Agency Presentations.** We will also prepare for and participate in up to three (3) formal presentations to the Planning Commission, Agency/City Council, or others, including the public hearing. Formal presentations in excess of those set forth above shall be invoiced as additional services.

## **Task 7. Additional Advisory Services**

In addition to the preparation of documents required in the process, Seifel Consulting will provide Agency staff with advisory services on an as needed basis, billed on a time and materials basis, up to a proposed budget, which could be augmented if needed. These advisory services may include, but are not limited to, the following services:

- Assist Agency staff with notification of all affected taxing agencies.
- Prepare for and attend consultations with affected taxing entities. This could involve the preparation of fiscal impact analyses.
- Prepare financial analyses to be used by Finance Department.
- Attend additional public meetings and hearings for information presentation purposes. (Meetings may include meetings with the Agency, City Council, Planning Commission, community forums.)
- Prepare responses to written comments received at the joint public hearing.
- Prepare more than one draft of the documents described under Deliverables, or redraft documents after Agency staff and legal counsel review of the Administrative Draft.
- Advise on community outreach strategy and implementation.
- Advisory services to Agency staff.
- Review of reports.

## **DELIVERABLES**

An administrative draft and a final report will be provided for each of the following documents:

- Preliminary Report
- Report to Council

The draft will be prepared for use by staff and Agency counsel. The administrative draft will be provided electronically in portable document format (PDF) and will be available as password-protected downloadable files from the Consultant's website. In addition, the final document will be provided as one (1) unbound original for reproduction. The Consultant requests that the Agency return the original after making copies, as the original photographs will need to be reproduced for the Report to Council.

SCI will prepare documents for 8 1/2 by 11 paper size; double spaced, printed on one side and electronically in PDF format. Preparation of more than one draft of the documents described above, or redrafting of documents after Agency staff and legal counsel approval of the final will be billed as additional services as described below.

We understand that we need to incorporate periodic reviews by staff and legal counsel, and that the consultant is expected to review all work products and administer contracts and invoicing for all subcontracting consultants. While incorporating staff and legal counsel review of the Preliminary Report and the Report to Council, we reserve the right of final review of these documents. Seifel Consulting Inc. cannot be held responsible for documents that are altered subsequent to delivery of the final report.

## **ROLE OF AGENCY STAFF**

The Consultants recognize that City staff time is very valuable. As a result every effort has been made to avoid any significant reliance on City staff for work associated with the Plan Amendment. However, there is a need for cooperation in the following areas:

- Timely provision of all available reports, documents, studies, plans, and other information relevant to the documentation of existing conditions and the expeditious conduct of the plan amendment process.
- Provision of the best available zoning, land use, GIS maps and aerial photographs.
- Ensuring the timely delivery of historical 5-year and current assessed values, retail sales tax, transient occupancy (hotel), and property tax information in support of economic blight documentation and the projection of future tax increment revenues.
- Provision of available crime statistics.
- Provision of other information as needed to document blight, such as infrastructure and public improvement deficiencies, traffic issues and documentation of the need for redevelopment from private property owners and developers.
- Coordination with staff team and various City departments on the provision of relevant data such as that described above.
- Scheduling and conducting staff team meetings with consultant, including kick-off meeting, regular team meetings, and conference calls.
- Scheduling and conducting meetings to ensure community participation in the Redevelopment Plan Amendment process at a level consistent with the requirements of the California Community Redevelopment Law. The Consultant will rely on the Agency to identify and assemble stakeholders and facilitate meetings and workshops in the Project Area neighborhoods. City will also prepare a summary of meetings and consultations with the community for incorporation into the Report on the Plan Amendment.
- Full responsibility for mailing and notifications to property owners, business, and residents, including related mailing costs.
- Identification and notification of all affected taxing agencies.
- Preparation of summary of consultations with taxing agencies for incorporation into the Report to Council.
- Timely response to inquiries from the Consultant.
- Coordination of review and edits of deliverables with City staff and consolidation of edits into one document for delivery to Consultant.

## **TIMETABLE**

The schedule is to be determined upon discussion with City staff. The Preliminary Report and Report on the Plan will be prepared at suitable dates to meet an anticipated adoption during Spring or Summer 2004. We are able to begin as soon as the contract is signed, based on our anticipated workload.

This schedule for delivery of products is dependent on timely responses to requests for information and meetings from City staff. Fifteen working days before the draft or final of a deliverable report (see Deliverables, above) is due, Seifel Consulting will need to receive all information required for inclusion in the report in order to complete the final report as scheduled.

It is assumed that the Agency's Project Manager will need ten (10) working days between receipt of the draft and provision of comments to the Consultant.

The Consultant will need ten (10) working days between receipt of the comments on draft and provision of final report to the Agency's Project Manager.

As the deliverable reports (the Preliminary Report and the Report to Council) are legally required documents, the administrative draft of each will need to be reviewed by G&L before we can release the final report. We will send the administrative draft to G&L for comment, and will need the attorney's comments ten working days before the final report is to be completed.

## **COMPENSATION**

We propose to perform this scope of services to a proposed budget of \$100,000. The work would be billed for services rendered during the previous month. Please refer to the Fee Schedule, attached, for the proposed budget. Table 1 includes the total budget and the budget of each team member.